February 15, 2008

Mr. Andrew McGilvray
Executive Secretary
Foreign-Trade Zones Board
U. S. Department of Commerce
Room 2111
1401 Constitution Avenue, NW
Washington, DC 20230

Re: Foreign-Trade Zone 79, Tampa, Florida
Application for FTZ Manufacturing Authority;
Tampa Bay Shipbuilding and Repair Company

Dear Mr. McGilvray,

Please find enclosed the application of the City of Tampa, grantee of FTZ 79, requesting temporary/interim manufacturing ("T/IM") authority for Tampa Bay Shipbuilding and Repair Company ("TBSRC"). Attached to this application is the required concurrence letter from the Tampa U.S. Customs and Border Protection ("CBP") port director. We are also using this same application to submit a request for permanent manufacturing authority for TBSRC. The application is being submitted in accordance with 15 CFR 400.31.

The City of Tampa has authorized the submission of the FTZ manufacturing application. The authority being requested is to manufacture large capacity tanker barges within FTZ 79. Approval of the application will benefit the local and national economies by helping keep TBSRC competitive in the global shipbuilding and repair industry.

TBSRC has provided information in the application concerning the company's background and operations, as well as its ability to operate under the requirements of the Foreign-Trade Zones Board and CBP. We appreciate your consideration of this application. Should you have any questions concerning the above, please contact Aliette Escasena of the Greater Tampa Chamber of Commerce at 813-276-9437.

Sincerely,

Timothy P. Shusta
Chairman FTZ Board #79, Inc.
813-472-7582

cc: Mr. Mark Huey
Economic Development Administrator
City of Tampa

TA.190677.1

U.S. Customs and Border Protection

March 18, 2008

FOR 3 APD:TPA:FO CC

Mr. Andrew McGilvray
Executive Secretary
Foreign-Trade Zones Board
U. S. Department of Commerce
Room 2111
1401 Constitution Avenue, NW
Washington, DC 20230

Dear Mr. McGilvray:

Your application to the City of Tampa, grantee of FTZ #79, for temporary/interim manufacturing authority for Tampa Bay Shipbuilding and Repair Company has been approved.

If you have further questions concerning the operation of a Foreign Trade Zone, please contact Customs and Border Protection Officer Ocey L. Holland at (813) 228-2385, ext. 237.

Sincerely,

Norma J. Cyr
Area Port Director, Tampa

cc: Grantee FTZ, City of Tampa

OMB No. 0625-0139
Exp. Date 5/31/2008

The Foreign-Trade Zones Board

Application for FTZ Manufacturing Authority

In addition to the basic information to provide on this page, the form for FTZ manufacturing authority has four possible sections to complete. Most companies do **not** need to complete all four sections – complete **only** the sections that apply to you.

Our web site – http://www.trade.gov/ftz – explains the different types of manufacturing authority available and has sample completed applications. If you have questions, please contact the FTZ Board staff at (202) 482-2862.

ↄ WHICH SECTIONS TO COMPLETE?

For all applications:

Section A All applicants must complete Section A (company/industry information).

All applications will also use at least one of the three "Products and Components" sections (Sections B, C, and D). Those sections are used to list a scope of products to be manufactured and foreign components to be used for the different types of manufacturing applications:

Section B Only used if you are requesting temporary/interim authority;

Section C Only used to define the **primary** scope if requesting permanent authority; and

Section D Only used to define an optional **secondary** scope (for permanent authority).

Only fill out the sections that are relevant to the authority you are seeking, answering the questions completely using the boxes provided. There is a continuation page at the end of Section A, if needed.

ↄ SITE INFORMATION/COMPANY NAME

Zone/Subzone #: **79** Site Number(s): 5

Site Address(es): **1130 McCloskey Blvd.**
Tampa, Florida

Company (Manufacturer) Name: **Tampa Bay Shipbuilding & Repair Company**

SECTION A (PRODUCT, COMPANY, & INDUSTRY INFORMATION)

For each section, please answer all questions completely within the appropriate box provided. (There is a continuation page provided at the end of this section, if needed.) Submission of incomplete or inaccurate information may delay the processing of your application.

Ɔ APPLICATION LETTER

A1. Your application must include a letter identifying your company and summarizing the zone site(s) to be used, proposed FTZ manufacturing activity, and why approval of that activity would be beneficial for the United States overall. The letter must be currently dated and signed by an authorized officer of the grantee or operator.
See attached letter

Ɔ TYPE OF AUTHORITY BEING REQUESTED

A2. At this time, are you submitting a request for temporary/interim manufacturing authority?
Yes **XX** (If yes, also complete and submit Section B).

A3. At this time, are you submitting a request for permanent authority for manufacturing?
Yes **XX** (If yes, also complete and submit Section C [and Section D, if applicable]).

Ɔ COMPANY, SOURCING, MARKET, AND INDUSTRY INFORMATION:

Answer these questions completely based on the information available to you. (You may rely on your expert knowledge of the industry in addition to traditional, published resources.)

A4. Explain in detail why approval of your proposed FTZ manufacturing authority would be beneficial overall to the United States:

This application for manufacturing authority is being requested for the fabrication, construction and assembly of large double-hulled tanker barges and other vessels of Chapter 89 to be produced at the Tampa Bay Shipbuilding & Repair Company. ("TBSRC") facility located within the boundaries of FTZ 79 Site 5 (Hookers Point Site total of 295 acres) on 62 acres of general purpose FTZ designated property. TBSRC is considered a small to medium sized privately held domestic shipbuilding and repair company for industry statistical purposes. TBSRC currently operates an FTZ activated parts and supply warehouse at the facility.

TBSRC has been subcontracted by Bender Shipbuilding & Repair Co., Inc. ("Bender") of Mobile, AL, a related company, to fulfill the tanker barge construction portion of its prime contract with Overseas Shipping Group, Inc. ("OSG") of Tampa, FL to produce Articulated Tug Barge ("ATB") units. (Bender will construct new 12,000 horsepower tugboats to propel and maneuver the double hulled tanker barges which together will act as a complete ATB unit).

Once completed, each 22,500 GT U.S. Flagged tanker barge will be capable of transporting approximately 290,000 barrels of refined petroleum product as well as crude petroleum oil within the Merchant Marine Act of 1920 (the "Jones Act") U.S. port to port energy transportation market. TBSRC is currently scheduled to construct six new double-hulled tanker barges over the next five years at the Tampa FTZ facility. OSG estimates that each ATB unit will cost approximately $90 million including OSG provided equipment. Certain of the equipment to be incorporated into the finished double-hulled tanker barges will be

imported from foreign sources. (See sections B and C of this application for detailed listings of foreign sources items). No foreign status steel products will be admitted into FTZ 79 Site 3 for use in the construction of the double-hulled tanker barges.

OSG has contracted to construct the U.S. flagged ATBs in order to meet and exceed U.S. government safety standards for the safe and efficient transportation of liquid energy products within U.S. coastal boundaries as defined by the Oil Pollution Act of 1990 and the requirements of the Jones Act. For example, the first ATB deliveries to OSG will be placed in service within the Delaware River area to lighter crude petroleum and petroleum products. Cost efficient production of the double-hulled tanker barges at the TBSRC facility is in the public interest for a number of reasons.

First, a domestic capability to produce and repair warships, support vessels, and *commercial vessels* is not only a strategic asset but also fundamental to U.S. National Security according to the National Security Assessment of the U.S. Shipbuilding and Repair Industry (003-009-00719-4) dated May, 2001. This report was prepared by the U.S. Department of Commerce, Bureau of Export Administration as part of its authority to collect basic economic and industrial information regarding the health and competitiveness of defense-related sectors and technologies. (*Emphasis added*)

Second, the production of U.S. Flag vessels at U.S. shipyards fulfills Jones Act U.S. statutory requirements for vessels that will be used to transport merchandise between U.S. ports.

Third, the production of double-hulled tankers to be used to transport refined petroleum products as well as crude petroleum is a U.S. environmental requirement for the safe transportation of energy products within U.S. coastal territory as required by the Oil Pollution Act of 1990.

Fourth, such construction contracts significantly increase U.S. shipyard utilization and will make TBSRC a more cost effective provider of U.S. based vessel construction and repair services in the global market place. The use of certain foreign sourced equipment along with domestic sourced materials and equipment insures that its customers can meet their customized vessel needs according to their specifications and not be U.S. duty burdened for installing such equipment on vessels constructed or repaired at U.S. shipyards.

Fifth and finally, increased utilization of TBSRC results in increasing the technical skills of more U.S. engineers and skilled laborers in the shipbuilding and repair business that will continue to attract new shipbuilding and repair business on a global basis.

Thus, the overall effect is positive for the National Security, TBSRC and the U.S. economy.

A5. Describe problems, challenges or strengths facing your company and the U.S. industry. (For example, have production, employment, and operating profits been falling or rising? Have there been changes in the cost of raw materials? Address any other relevant factors.)

The U.S. shipbuilding industry competes with a highly skilled and cost effective foreign-based shipbuilding and repair industry. In order to remain competitive the U.S. industry has to maintain a high capacity and productivity level to offset the lower labor and overhead foreign cost structures of many of its foreign competitors who also enjoy efficiencies of scale. U.S. shipbuilders must be able to produce vessels to meet the strict requirements of both its customers and strict U.S. OSHA worker safety standards which exceed worker safety standards applicable to competitors in most foreign jurisdictions.

According to the National Security Assessment previously referenced, "*The U.S. commercial shipbuilding industry is generally not internationally competitive; particularly in the construction of vessels over 1,000 gross tons. Various sources report several reasons for this lack of competitiveness, including foreign government subsidies and other unfair trade practices, exchange rates and lagging U.S. productivity. In some niches, however, the United States has a significant world market share based mostly on domestic sales."* The production of double-hulled tanker barges for U.S. port to port movements should be considered one of these niches. (*Emphasis added*)

In addition, one of the biggest obstacles to U.S. shipbuilding competitiveness was high state-sponsored shipbuilding subsidies, which were enjoyed by shipyards in a number of other countries. Although legislation and international agreements to end such subsidies has been introduced in recent years, by the early 21st century, subsidies remained a hot issue within the industry. Foreign subsidies not only affected the United States, but other countries as well.

In this vein, the National Security Assessment of the industry also concluded that, "*..... exports may not be a market-expanding option because world class foreign producers have a 15-20 year competitive lead on U.S. shipbuilders and have been accused of being heavily subsidized." (Emphasis added).*

A6. List total employment company-wide: **393 Full time employees and 459 contract personnel**

A7. List total employment at your proposed FTZ manufacturing plant: **393 full time employees and 459 contract personnel**

A8. How has your company's and plant's employment changed in the last 5 years?
Employment has increased almost 50% over the last five years.

A9. Will FTZ-related savings likely lead to increased, stable, or decreased employment at your plant? Explain: **FTZ related savings will likely help stabilize employment at the TBSRC facility since zone savings will effectively reduce cost of materials used in construction and refurbishing or repair services provided by the company. This will help keep the Tampa location competitive with other small to medium sized U.S. shipyards that use zone procedures as well as foreign competitors.**

A10. Briefly describe the specific manufacturing activity which you are seeking to conduct under FTZ procedures. (You will provide more detailed information relating to your requested FTZ manufacturing authority in the "Products and Components" section below.)

TBSRC seeks to obtain Temporary/Interim manufacturing authority to construct large capacity liquid barges that will ultimately be used in combination with specially designed tug boats to form Articulated Tug Barge ("ATB") units for the transportation of refined petroleum products or crude petroleum. The construction process will include fitting of various subassemblies (primarily metal) and welding the various structures together according to vessel specification. Equipment and instrumentation to meet specifications and necessary for the normal and safe operation of the finished vessel will be assembled or otherwise fabricated during the construction of the complete vessels.

A11. Does your company have other plants B in the U.S. or overseas B that conduct the same activity or similar activity? (If yes to either, please list the other plants' locations and explain.)

No.

A12. What is the percent of U.S. value added (i.e., the difference between the value of foreign components received at the plant and the value of finished products shipped from the plant) for the products you want to produce under FTZ procedures?

This is estimated to be around 96%. This is consistent with the overall domestic shipbuilding and repair industry

A13. By value, what percent of your production inputs are imported?

This is estimated to be around 4%. This is consistent with the overall domestic shipbuilding and repair industry.

A14. Are the components that you purchase from abroad also available from U.S. suppliers (if yes, why are you unable to obtain those components domestically)? Explain.

TBSRC is consigned materials directly purchased by either OSG or its prime ATB prime contractor Bender. As such it has no control for purchasing decisions related to raw materials or equipment used under the construction contract. It is our understanding that the vast majority of materials to be used in construction will be procured from domestic sources.

The primary reasons for foreign sourcing are customer-directed suppliers, items not available domestically and in certain cases better prices.

A15. Will FTZ -related savings affect your company's purchasing patterns? Explain.

Obtaining manufacturing authority for the facility is not expected to have an impact on the company's purchasing patterns.

A16. What is the current annual production capacity at the plant for which you are seeking FTZ authority? Are there any planned capacity changes? (Indicate the units of measure used.)

Current production capacity is one large capacity liquid tank barge construction per year. There are no planned capacity changes at this time.

A17. What is your company's current share of the U.S. market for the type of products you want to make under FTZ procedures?

10-15 % (approximate)

A18. List your major competitors in the U.S. market and their approximate U.S. market shares.

The following shipyards also have the capacity to provide similar vessels as to TBSRC:

- **Bender Shipbuilding & Repair Co., Inc. – Mobile, AL**
- **Atlantic Marine – Mobile, AL**
- **Bollinger Shipyards, Inc. – Lockport, LA**
- **VT Halter Marine, Inc. – Pascagoula, MS**
- **Bay Shipbuilding – Marinette, WI**
- **Dakota Creek Shipyard – Anacortes, WA**
- **Senesco Marine (SE New England Shipbuilding) – North Kingstown, RI**
- **Eastern Shipbuilding Group – Panama City, FL**
- **Conrad Industries, Inc. – Morgan City, LA**
- **Thoma-Sea Boatbuilders – Houma, LA**
- **Washburn and Doughty & Associates, Inc. – East Boothbay, Maine**
- **Zidell Exploration, Inc. – Portland, OR**
- **Gunderson Marine – Portland, OR**

The above company's market share is estimated at 85% whereas TBSRC currently holds approximately 15% of the market share for the construction of the tanker barges.

A19. Are your competitors producing in the U.S. or abroad? Explain and give specific examples.

U.S. only

A20. What is imports' share of the U.S. market for the type of products you want to make under FTZ procedures? 0% (approximate)

A21. Has imports' share of the U.S. market changed in the past 5-10 years? How? Why?

Not for Jones Act vessels. Jones Act requires U.S. flagged vessels for inter U.S. port transportation. However, foreign shipbuilders compete with U.S. shipbuilders for contracts to construct or repair non-Jones Act vessels.

A22. How would approval of your proposed FTZ manufacturing affect your domestic competitors?

A number of domestic shipyards already operate under zone manufacturing procedures, so there would be little if any effect.

A23. Are the purchasing patterns of competing domestic manufacturers similar to your company's?

Yes.

A24. If you are granted authority to manufacture under FTZ procedures, would the other U.S. manufacturers be likely to seek access to zone procedures? Explain.

See answer to question A22 above.

A25. What are the competitive factors in your industry? Any other factors unique to your industry?

In addition to those previously discussed, many shipyards have difficulty attracting and retaining an adequate supply of qualified production workers. Shipyard productivity increases could potentially allow for higher pay scales, which could help alleviate this concern, according to the National Security Assessment of the industry previously cited.

A26. What percent of your production of the products you want to make under FTZ procedures is sold to export markets? **0** % (approximate)

A27. Do you know your approximate share of the world-wide market for the products you want to make under FTZ procedures? Yes ___ No X If yes, list it. _____ %

A28. List your major competitors in the world market and their approximate world market shares.

The total U.S. industry only accounts for around 1% of total global production of commercial vessels greater than 1,000 gross tons. TBSRC production is only a fraction of total U.S. production. South Korea and Japan together account for around 70% of global production of commercial vessels. China has shown considerable growth in market share in recent years and is expected to continue to grow its commercial vessel market share.

A29. Briefly describe your company's background and current situation (including annual sales value or other indicator(s) of company's size and scope of operations).

TBSRC is a general partnership formed on January 13, 1997. Operations started in the shipyard on February 1, 1997. The partnership is currently owned by Shipyard Properties, Inc., and AMD, LLC, both Florida corporations.

TBSRC has a world-wide ship repair customer base and constructs tanker barges for its affiliate company, Bender.

Revenues for 2005, 2006, and 2007 have been $33M, $60M, and $52M, respectively.

A30. Please list the main internet address(es) for information about your company and product(s).

www.tampabayship.com

A31. Are you aware of any studies or reports that have been done recently regarding your industry or industry sector? If yes, please list the titles and authors/publishers below B you do not need to submit the studies/reports with the application. Note: The FTZ Staff may later ask for your assistance in obtaining a copy of these publications as part of the Staff's case-related research.

National Security Assessment of the U.S. Shipbuilding and Repair Industry (003-009-00719-4) May, 2001 prepared by the U.S. Department of Commerce, Bureau of Export Administration.

The Economic Contribution of the U.S. Commercial Shipbuilding Industry (April, 2002)– study prepared by LEGG, LLC Washington, DC on behalf of the Shipbuilders Council of the America.

Department of Commerce Industry reports:

SIC 3731 Ship Building and Repairing

NAICS Code 336611 (Ship Building and Repairing)

The AllBusiness website also contains a number of relevant articles regarding the shipbuilding and repair industry. The website is: http://www.allbusiness.com

Ə FTZ-RELATED SAVINGS:

A32. What are the total estimated annual FTZ-related savings associated with the proposed activity you are describing in this application: **$50,000-$75,000**

A33. Provide the percentage breakdown for those savings into the following categories:

Logistical/Paperwork[1]	5%
Inverted Tariff	95%
Exports	0%
Duty Deferral	0%
Scrap/Waste	0%

A34. Provide any additional explanation or special features of the above savings that may be relevant to the review or implementation of zone procedures (*e.g.*, formulas, Customs rulings, scrap as percentage of imported product).

N/A

A35. Provide an estimated cost figure for operating your proposed FTZ manufacturing facility each year. (Components of your annual operating cost could include record keeping/inventory control, fees to the zone grantee, etc.) **$20,000** per year.

A36. Do you commit to work with Customs & Border Protection, as appropriate, to meet future CBP requirements for its automated systems (e.g., ACS, ACE)? Yes X No ___

Ə PRODUCTS AND COMPONENTS

A37. Describe in detail the specific manufacturing activity B including the main products and components B which you are seeking to conduct under FTZ procedures.

The specific manufacturing activity will be the complete construction of tanker barges as previously described including the fabrication of substructures, fitting and assembly; and the assembly and fitting of necessary operating equipment, instrumentation and apparatus

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[1] *e.g.*, Merchandise Processing Fee, broker/handling fees, weekly entry

to complete the functional tanker barges. This equipment, instrumentation and apparatus includes special material handling equipment associated with the filtering, measurement, lading and unlading of bulk liquid crude petroleum similar to that associated with offshore drilling platforms classified under HTSUS Chapter 89.

A38. Pursuant to the definition of "primary" components below, do you have components/inputs that are subject to antidumping ("AD") or countervailing duty ("CVD") duties? Are any of the components subject to quantitative restrictions (quotas)? Are you aware of any other trade-related issues affecting any of the components? If yes to any of these questions, explain.

No.

SECTION B (SCOPE FOR TEMPORARY/INTERIM AUTHORITY)

The information in this section will establish the scope of finished products and imported components/inputs if you wish to conduct activity under T/IM (up to two years) FTZ authority. Please answer all questions completely within the appropriate box provided. Incomplete or inaccurate information could delay the processing of your application.

∋ CUSTOMS & BORDER PROTECTION CONCURRENCE

B1. Is your application accompanied by the required letter of concurrence from your local Customs and Border Protection port director? Yes X No ___

∋ FINISHED PRODUCTS

B2. A finished product is defined by a single six-digit HTSUS number identical (all six HTSUS digits) or similar (shares core 4 HTSUS digits) to products in the T/IM database. For up to ten finished products for which you are requesting T/IM authority, provide answers for items "a" through "d" (or "e") below. Answer all items for the first product, then proceed to the second product, and so on. **See attached Schedule B2 for details.**

a. Physical description (not HTSUS description) of requested finished product.

b. Six-digit HTSUS number for requested finished product.

c. Current duty rate of requested finished product.

d. Is this an identical match to a six-digit HTSUS number for a finished product in the T/IM database? (If the answer is "Yes," you may skip item "e".)

e. From the T/IM database, provide the six-digit number(s), product description(s), and duties rate(s) that represent the finished product(s) most similar to your requested finished product.

Also, we believe that FTZB Order Number 1270 dated February 21, 2003 is similar with respect to the degree of special purpose handling equipment and apparatus necessary to permit the tanker barges to safely lade, transport, and unlade crude petroleum and certain petroleum products.

∋ INPUTS

B3. An input is defined by a single six-digit HTSUS number identical (all six HTSUS digits) or similar (shares core 4 HTSUS digits) to inputs in the T/IM database. For up to thirty finished products for which you are requesting T/IM authority, provide answers for items "a" through "d" (or "e") below. Answer all items for the first input, then proceed to the second product, and so on. **See attached Schedule B3 for details.**

a. Physical description (not HTSUS description) of requested input.

b. Six-digit HTSUS number for requested input.

c. Current duty rate of requested input.

d. Is this an identical match to a six-digit HTSUS number for an input in the T/IM database? (If the answer is "Yes," you may skip item "e".)

e. From the T/IM database, provide the six-digit number(s), product description(s), and duties rate(s) that represent the input(s) most similar to your requested input.

∋ SIMILARITY OF PROPOSAL TO PREVIOUSLY APPROVED ACTIVITY

B4. If all of your finished products and inputs are identical (full six-digit HTSUS matches) to finished product and input combinations in the T/IM database, you may skip this section. Otherwise, please answer these questions in detail:

a. Industry-Sector Similarity: Explain the degree of similarity of your proposed manufacturing activity under T/IM procedures (the finished products and associated inputs you have listed above) to approved activity listed in the T/IM database (finished product and input combinations). Make reference to specific approvals and the six-digit HTSUS numbers -- for both finished products and components -- associated with those approvals. Is the industry situation the same? How similar are the finished-product competitors and the population of suppliers of production inputs?

The Shipbuilding Industry-Sector in which TBSRC operates is exactly the same as that of Southeastern New England Shipbuilding Corporation (Board Order 1427) as it relates to the construction of tanker barges classified under HTSUS 8901.20 (see Schedule B.3.A.)

b. Finished Product/Input-Specific Similarity: For each finished product (or input) for which there is no six-digit HTSUS match in the T/IM database, explain its technical and functional relationship to one or more already approved finished products (or inputs, respectively) in the database. For example: How do the technical specifications differ? Are the end uses the same or similar? Are the production techniques the same or similar? Does the product/input tend to be sourced from the same producers and countries as the most similar approved product(s)/input(s)? Do they have the same tariff rates? Explain.

The inputs previously approved for the operations of J. Ray McDermott, Inc. (Board Order 1270) related to incorporation of special bulk liquid crude petroleum material handling, filtering and flow measurement equipment and apparatus on to offshore drilling platforms classified under HTSUS 8905.20 (see Schedule B.3.B.) are very similar to such articles needed to operate the large capacity barges which are the subject of this application.

SECTION C (PRIMARY SCOPE FOR PERMANENT AUTHORITY)

The information in this section is for the "primary" scope of finished products and imported components/ inputs if you wish to conduct activity under permanent FTZ authority. Your primary scope should only include: 1) the range of finished products and foreign-status inputs that your company plans to use in manufacturing under FTZ procedures and 2) finished products and foreign-sourced inputs that you believe that there is a significant likelihood that your company will need to use for FTZ manufacturing.

∋ SIMULTANEOUS TEMPORARY/INTERIM AND PERMANENT APPLICATIONS

C1. a. Are you simultaneously submitting a request for temporary/interim authority (with a scope listed in Section "B")? Yes X No ___

b. If you checked "Yes," do you wish to include the products and inputs for which you are requesting temporary/interim authority in your application for permanent authority? Yes X No ___ (If you checked yes, you do not need to list those products and inputs again in this section. You only need to list below the additional products and inputs for which you are seeking permanent authority.)

∋ FINISHED PRODUCTS

C2. For each product for which you are requesting permanent manufacturing authority, list the: physical description (not HTSUS description); HTSUS number (six-digit); and duty rate.

No additional finished products.

∋ INPUTS

C3. For each foreign-sourced input for which you are requesting permanent manufacturing authority, list the: physical description (not HTSUS description); HTSUS number (six-digit); and duty rate.

See Schedule C.3.

The additional inputs found in Schedule C.3.A., C.3.B., and C.3.C. , while found in the T/IM Input database, are not matched directly to the production of finished tanker barges or other Vessels of Chapter 89. Schedule C.3.D.

It is our understanding, however, that these inputs at the six digit HTSUS item classification level have been previously approved for inverted tariff benefits when used in the manufacture of various Chapter 89 vessels within U.S. Foreign Trade Zones. Such Chapter 89 finished product/input correlation does not currently exist in the database.

SECTION D (OPTIONAL SECONDARY SCOPE)

You may complete this optional section to establish a "secondary" scope of finished products and imported components/inputs for which your company has no current manufacturing plans but which it may ultimately need to use in manufacturing under FTZ procedures. The intent of allowing a secondary scope is to give companies short-term flexibility to react quickly to new marketplace opportunities. As such, you would be able to use products and inputs from your secondary scope without limitation as soon as you submit to the FTZ Board an application for "expansion of authority" for those products (Note: there is a simple form for that application). In the absence of an expansion application, products and components listed in the secondary scope should not account for a significant amount of your company's FTZ-related savings.

∋ ACCEPTANCE OF LIMITATIONS OF SECONDARY SCOPE

D1. Do you understand that the finished products and inputs listed in this section as a secondary scope: 1) are not items for which your company currently has definite plans for manufacturing under FTZ procedures and 2) may not constitute a significant amount of the company's overall FTZ savings (unless the company has submitted an application to the FTZ Board to expand its primary scope to include the products and components at issue)?
Yes No ___

∋ FINISHED PRODUCTS

D2. For each product for your secondary scope for permanent manufacturing authority, list the: physical description (not HTSUS description); HTSUS number (four-digit); and duty rate.

∋ INPUTS

D3. For each foreign-sourced input for your secondary scope for permanent manufacturing authority, list the: physical description (not HTSUS description); HTSUS number (four-digit); and duty rate.

Schedule B.2 - T/IM Authority Finished Goods

Tampa Bay Shipbuilding and Repair Co.

ITEM	(a.) Input Description	(b.) HTSUSA Classification	(c.) General Duty Rate	(d.)T/IM Database Direct Match?
1.0	Double Hulled Liquid Tanker Barges	8901.20	Free	Yes
2.0	Ships designed for the transport of goods or people	8901.90	Free	Yes
3.0	Fishing vessels	8902.00	Free	No
4.0	Tugs and pusher craft	8904.00	Free	Yes
5.0	Dredgers	8905.10	Free	No
6.0	Drilling platforms	8905.20	Free	Yes
7.0	Other light vessels	8905.90	Free	No

Schedule B.3 - T/IM Authority Inputs

Tampa Bay Shipbuilding and Repair Co.

ITEM	Input Description	HTSUSA Classification	General Duty Rate	T/IM Database Direct Match?
	A. Board Order 1427 Approved 12/21/05 for: Articulating Tug Barges Finished Product HTSUS Numbers 8901.20, 8901.90 and 8904.00			
1.0	Diesel engines (Marine propulsion engines)	8408.10	2.5%	Yes
2.0	Stern tubes	8483.30	4.5%	Yes
3.0	Reduction gears	8483.40	2.5%	Yes
4.0	Shaft grounding systems and seals	8483.90	4.5%	Yes
5.0	Generators: of an output exceeding 375 kVA but not exceeding 750 kVA	8501.63	2.5%	Yes
6.0	Overfill alarms, parts thereof	8531.90	1.3%	Yes
7.0	Tank washing machines, valve remote operators, tank gauging systems, and ACCU automation/steering systems	8537.10	2.7%	Yes
	B. Board Order 1270, approved 2/21/2003: Floating or submersible drilling or production platforms Finished Product HTSUS # 8905.20			
1.0	Flexible tubing of base metal, of iron or steel	8307.10	3.8%	Yes
2.0	Turbocharger and supercharger fans	8414.59	2.3%	Yes
3.0	Centrifuges	8421.19	1.3%	Yes
4.0	Oil or fuel filters for internal combustion engines	8421.23	2.5%	Yes
5.0	Oil separation equipment and other filtering equipment	8421.29	Free	Yes
6.0	Intake air filters for internal combustion engines	8421.31	2.5%	Yes
7.0	Pressure reducing valves	8481.10	2.0%	Yes
8.0	Valves for oleohydraulic or pnuematic transmissions	8481.20	2.0%	Yes
9.1	Check valves (non-return) of copper	8481.30	3.0%	Yes
9.2	Check valves (non-return) of iron or steel	8481.30	5.0%	Yes
9.3	Check valves (non-return); other materials	8481.30	3.0%	Yes
10.0	Safety or relief valves	8481.40	2.0%	Yes
11.1	Taps, cocks, valves and similar appliances; other of copper	8481.80	4.0%	Yes
11.2	Taps, cocks, valves and similar appliances; other of iron or steel	8481.80	5.6%	Yes
11.3	Taps, cocks, valves and similar applicances; other materials, hand operated	8481.80	3.0%	Yes
11.4	Taps, cocks, valves and similar appliances; other, other	8481.80	2.0%	Yes
12.0	Pumps fo dispensing fuel or lubricants	8413.11	Free	Yes
13.0	Electric Generator sets	8502.39	2.5%	Yes
14.0	Liquid flow measurement instruments and apparatus	9026.10	Free	Yes

Schedule C.3 - T/IM Primary Authority Inputs

Tampa Bay Shipbuilding and Repair Co.

ITEM	Input Description	HTSUSA Classification	General Duty Rate	T/IM Database Direct Match?
	B. Inputs contained in T/IM database associated with Board Order 1230, approved 5/17/2002 Finished goods: machinery and parts			
1.0	Anchor chain	7315.81	Free	No
2.0	Diesel engine parts	8409.90	Free	No
3.0	Engine parts	8409.99	Free	No
4.0	Fire fighting equipment	8424.20	2.9%	No
5.0	Laptop computers	8471.30	Free	No
6.0	High fishtail rudders	8479.89	2.4%	No
7.0	Main propusion motors; tunnel thruster and pump motors; generators	8501.53	2.8%	No
	B. Inputs contained in T/IM database associated with Board Order 1418, approved 11/17/2005 Finished goods: engine parts and snowmobiles			
1.0	Box coolers	8419.50	4.2%	No
2.0	Winches	8425.31	Free	No
3.0	Generator parts	8503.00	3.0%	No
4.0	Firefighting equipment	9032.89	1.7%	No
	C. Inputs contained in T/IM database associated with Board Order 1533, approved 11/27/2007 Finished goods: material handling equipment			
1.0	Converters, starters and drives; battery chargers; outstations	8504.40	1.5%	No
	D. Other inputs noted in previously approved Board Orders			
1.0	Converter transformers	8504.34	1.6%	No
2.0	Steel doors	7308.30	Free	No
3.0	Shore conn box	9033.00	4.4%	No
4.0	Lifting equipment parts	8431.10	Free	No
5.0	Propeller & blades	8487.10	Free	No
6.0	Safety netting (Category 229)	5608.90	14.1%	No
7.0	Safety net beams/ bolts	7610.90	5.7%	No
8.0	Fire pumps	8413.70	Free	No

U.S. Customs and Border Protection

March 18, 2008

FOR 3 APD:TPA:FO CC

Mr. Andrew McGilvray
Executive Secretary
Foreign-Trade Zones Board
U. S. Department of Commerce
Room 2111
1401 Constitution Avenue, NW
Washington, DC 20230

Dear Mr. McGilvray:

Your application to the City of Tampa, grantee of FTZ #79, for temporary/interim manufacturing authority for Tampa Bay Shipbuilding and Repair Company has been approved.

If you have further questions concerning the operation of a Foreign Trade Zone, please contact Customs and Border Protection Officer Ocey L. Holland at (813) 228-2385, ext. 237.

Sincerely,

Norma J. Cyr
Area Port Director, Tampa

cc: Grantee FTZ, City of Tampa